

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 511

March 3, 2009

SUMMARY OF BILL: Authorizes a student who has a documented medical disability that restricts the student's attendance to part-time to petition for an extension of the current five-year limitation in order for the student to retain the HOPE scholarship.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$16,000 in FY09-10 and by \$30,000 in FY10-11.

Assumptions:

- Based on survey results from contacting 258 public and private high school counselors throughout Tennessee, the Tennessee Student Assistance Corporation (TSAC) projects approximately 33 students per year will be eligible for the HOPE Scholarship and have a medical disability that would require them to attend on a part-time basis.
- TSAC projects a 25 percent retention rate through the current five-year period for these students. TSAC indicates that this retention rate projection is higher than the normal retention rate for all HOPE Scholarship students who attend through the current five-year period. As a result, eight of the 33 students are expected to retain their HOPE Scholarship through the current five-year period.
- The award for part-time students is \$2,000 per year.
- The average amount of additional time beyond the current five-year period that such students will need to complete their respective academic programs is estimated to be two years.
- The increase of expenditures from lottery proceeds is estimated to be \$16,000 for FY09-10 (8 x \$2,000 = \$16,000).

- TSAC projects that seven of the eight students retaining the scholarship through a sixth year (FY09-10) will retain the HOPE through a seventh year (FY10-11); eight new students are anticipated for FY10-11.
- The increase of expenditures from lottery proceeds is estimated to be \$30,000 for FY10-11 (15 x \$2,000 = \$30,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc